

CableFAX Daily™

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What the Industry Reads First

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Reporting Outages: Time Warner Cable to Pay \$1.1mln to Settle with FCC

Time Warner Cable has agreed to pay a \$1.1mln civil penalties to settle an **FCC** Enforcement Bureau investigation into whether the MSO has complied with the Commission's network outage reporting requirements. In addition, the MSO will implement a 3-year plan to ensure future compliance. The Bureau found that TWC failed to file a substantial number of reports with respect to a series of reportable wireline and VoIP network outages. The company admitted it failed to timely file reports, and as part of the consent decree, the Enforcement Bureau will terminate the investigation. "We look forward to working with the FCC to ensure that its outage reporting rules are properly implemented and followed," TWC said in a statement. Under FCC rules, providers must report an outage of at least 30 minutes that potentially affects: a) at least 900K user minutes of either telephony or paging; b) at least 1350 DS3 minutes (the mathematical result of multiplying the duration of an outage, expressed in minutes, by the number of previously operating DS3 circuits that were affected); c) any special offices and facilities; or d) potentially a 911 special facility. Providers are supposed to notify the FCC within 120 minutes of discovering an outage, with additional info due in 72 hours and within 30 days of discovery. In TWC's case, the FCC found it had failed to file a substantial number of follow-up reports for instances in which it had timely filed the initial notifications. The settlement comes as the FCC considers approval of **Comcast's** bid to acquire Time Warner Cable. The first round of comments and petitions to deny the merger and related **Charter** divestitures were due to the Commission Mon (more on that below). It's unclear what would happen with the compliance plan if Comcast acquires TWC, but seems reasonable that Comcast would still be responsible to adhere to it.

Merger Comment Deadline: It's safe to assume the **FCC** received comments late into the day Mon on the proposed **Comcast-Time Warner Cable** merger and related **Charter** transactions. At our deadline, **Free Press**, **Public Knowledge** and the **Open Technology Institute**, **Sports Fan Coalition**, **Independent Telephone & Telecom Alliance** (mid-size, ILECs such as **CenturyLink** and **Cincinnati Bell**) and **Maine RLECs** (including **Lincolnton Networks** and **Oxford Telephone**) along with **Consumers Union** and **Common Cause** had filed petitions to deny. "The proposed \$89.8bln combination would create a mammoth entity with unprecedented market power that would stymie facilities-based video competition throughout the country, harming consumers and the public interest," ITTA argued.

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The deal also has its supporters, including **Hallmark Channel**-parent **Crown Media Family Nets** and **ReelzChannel**. Another indie programmer is asking for conditions. **Herring Networks**, which operates **AWE** and **One America News Net**, has supported the **AT&T-DirecTV** combo but on Mon had some choice words regarding the Comcast transaction: "Comcast programming channels are able to spend more time with the Comcast cable side than independent networks and receive preferential consideration." Recall that **AWE** (formerly **WealthTV**) filed an unsuccessful program carriage complaint against Comcast a few years ago. Herring suggested the FCC condition the deal in a way that would be beneficial to One America, suggesting Comcast should have to divest its national news holdings or have to extend a 10-year carriage deal to news networks that are not currently launched on any Comcast system and are also US-owned, available to at least 7mln homes, launched on at least 2 of the following: AT&T U-Verse, DirecTV, **DISH**, **Verizon FiOS** and produce at least 100 hours of live content/week. To the surprise of no one, Sen *Al Franken* (D-MN) also filed comments calling for the deal's rejection. "Comcast's proposed acquisition of Time Warner Cable would position Comcast as a veritable gatekeeper over vast swaths of the nation's telecommunications industry, resulting in higher prices, fewer choices, and worse service for consumers in Minnesota and across the country," wrote Franken. Comcast chose to focus on the positive, with evp *David Cohen* penning a blog that noted the deal has the bipartisan support of more than 50 mayors as well numerous chambers of commerce and diversity organizations.

Sunday Ticket Closer: **DirecTV** has told us it's been close to a deal for **NFL** Sunday Ticket for months, but maybe this time it's really close. *Sports Business Journal* reports a broad agreement has been reached on price and length of deal, according to sources, with the average annual rights fee increase set to be between \$1.3bln-\$1.4bln over the next decade. Recall that **AT&T** can back out of its acquisition of the DBS company if Sunday Ticket is not renewed. Despite this latest report, don't hold your breath on an announcement. "There still are no signed contracts, and a formal announcement is not imminent," SBJ reported.

No Football for You: A lot of concern from college football fans over whether they'll be able to see this week's action. **DISH** said it has declined to pay a "significant additional charge" to **Fox Sports 1** and thus doesn't have the rights to 4 games this weekend: Rutgers-Washington State (Thurs), Colorado State-Colorado (Fri), North Dakota St-Iowa St (Sat) and SMU-Baylor (Sun). Meanwhile, while we're told signs are positive for **Verizon FiOS** to carry **SEC Network** by Thurs' kickoff, nothing has been announced yet. SEC fans are getting antsy, flooding Verizon FiOS' **Facebook** page with comments—all of which seem to have gone unanswered.

Turner Buyouts: After weeks of speculation over possible job cuts as part of an overall plan to reduce spending, word leaked out Mon that **Turner** is preparing to offer voluntary buyouts to US employees 55+ (sounds like some 500-600 of the company's 9K US-based employees could potentially be eligible). It has to be frustrating for Turner employees to see it leaked on **TheWrap.com** before it's even announced. Turner CEO *John Martin* outlined plans to reduce spending and maximize growth in a memo in June. The programmer declined to comment.

Cox Doubles Speeds: **Cox** is doubling the speeds of 3 business Internet tiers at the Las Vegas Convention Center with no additional costs for users. The speed upgrade applies to 3 wireline packages in both the "shared bandwidth" and "dedicated bandwidth" service tiers. Five of the tiers will increase by 100%, with the tier offering 10 Mbps going up 125% to 25Mbps. Cox is also facilitating the deployment of an interior 3G/4G wireless distributed antenna system designed to improve mobile coverage inside the convention center.

Verizon Names New Speed: "Cable can't touch it." That's what **Verizon FiOS** claimed in its latest video ad promoting its FiOS speed upgrades. The telco even gave the initiative a name: SpeedMatch. The upgrade to match downstream speeds with upstream speeds across all of FiOS' broadband tiers was announced in July and is expected to allow the majority of existing FiOS subs to receive the upgrade automatically. With no extra cost, Verizon started rolling out the upgrades in late July. Subs will be notified via email once the upgrade is complete.

Ratings: "True Blood's" series finale Sun night scored 4mln viewers for **HBO**. Adding the 11:30pm replay, 4.5mln viewers tuned in. For the final season, the vampire series averaged 9.4mln viewers. The finale generated 99.7 Tweets, up 206% from last week and 15% above the season 6 finale. -- Sun night also saw **HBO's** "The Leftovers" averaging 1.9mln viewers. Including the 12:30pm replay, 2.1mln viewers watched for the night. The series is averaging 7.3mln

BUSINESS & FINANCE

viewers in gross audience season-to-date. -- The 3rd ep of **Cinemax's** "The Knick" drew a nightly gross viewership record of 754K, up 15% from debut night. The drama series has an average gross audience of 2.7mln for the season. -- **NatGeo's** season premiere of "The Incredible Dr. Pol" bagged the net's highest rated Aug telecast ever Sat night, drawing 729K viewers P2+ and a 0.4 P25-54 rating.

On the Circuit: **WICT** announced its "Pearls of Wisdom" speaker lineup, which includes *Jana Bennett*, pres of **FYI** and **LMN**; *Katherine Kallinis Berman* and *Sophie Kallinis LaMontagne*, co-founders of **Georgetown Cupcake** and casts of TLC series "DC Cupcakes;" *Richelle Carey*, new anchor at **Al Jazeera America**; *Jennifer Caserta*, pres/gm of **IFC**; and *Vy Higginsen*, exec dir of **Mama Foundation for the Arts**. The session on Sept 16 will be part of the annual WICT Leadership Conference, which kicks off Cable's Diversity Week.

Programming: **Animal Planet** will commemorate Labor Day weekend with live births from the Nebraska State fair on a "Labor Live" cam at digital destination Animal Planet LIVE. Linear viewers will be kept abreast with breaking on-air birth alerts. -- **Lifetime** placed a straight-to-series order for *Glen Mazzara's* series "Damien," based on the horror film "The Omen." The 6-ep series is set to debut early next year.

CableFAX Daily Stockwatch

Company	08/25 Close	1-Day Ch	Company	08/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	85.47	0.92	CONCURRENT:	7.19	(0.08)
DISH:	64.42	(0.4)	CONVERGYS:	19.14	0.16
ENTRAVISION:	4.61	(0.03)	CSG SYSTEMS:	28.28	0.07
GRAY TELEVISION:	10.51	0.11	ECHOSTAR:	49.46	(0.17)
MEDIA GENERAL:	16.28	(1.04)	GOOGLE:	580.20	(2.36)
NEXSTAR:	45.68	(0.79)	HARMONIC:	6.26	(0.08)
SINCLAIR:	29.05	(0.14)	INTEL:	34.81	(0.13)
MSOS					
CABLEVISION:	17.92	(0.42)	INTERACTIVE CORP:	68.15	(0.37)
CHARTER:	155.06	(0.37)	JDSU:	11.63	0.10
COMCAST:	54.65	0.47	LEVEL 3:	43.14	0.18
COMCAST SPCL:	54.39	0.33	MICROSOFT:	45.17	0.02
GCI:	11.20	0.14	NIELSEN:	47.36	(0.08)
GRAHAM HOLDING:	725.00	0.17	RENTRAK:	49.47	(0.32)
LIBERTY GLOBAL:	42.76	(0.35)	SEACHANGE:	7.50	(0.13)
LIBERTY INT:	29.49	(0.04)	SONY:	18.97	0.11
SHAW COMM:	24.92	(0.22)	SPRINT NEXTEL:	5.58	0.04
TIME WARNER CABLE:	147.97	1.52	TIVO:	13.60	(0.1)
PROGRAMMING					
21ST CENTURY FOX:	35.56	(0.13)	UNIVERSAL ELEC:	55.00	(0.2)
AMC NETWORKS:	63.46	0.54	VONAGE:	3.24	UNCH
CBS:	60.63	0.13	YAHOO:	37.71	(0.3)
CROWN:	3.45	0.02	TELCOS		
DISCOVERY:	43.91	(0.39)	AT&T:	34.51	0.01
DISNEY:	90.38	(0.11)	CENTURYLINK:	41.27	0.47
GRUPO TELEVISIA:	37.13	0.29	TDS:	25.59	(0.03)
HSN:	60.51	0.29	VERIZON:	49.15	0.51
LIONSGATE:	32.68	(0.07)	MARKET INDICES		
MSG:	66.26	1.18	DOW:	17076.87	75.65
SCRIPPS INT:	80.67	(0.79)	NASDAQ:	4557.35	18.80
STARZ:	30.39	0.31	S&P 500:	1997.92	9.52
TIME WARNER:	76.95	(0.28)			
VALUEVISION:	4.48	(0.12)			
VIACOM:	80.62	(0.38)			
WWE:	14.89	0.25			
TECHNOLOGY					
ADVANTAGE:	2.41	0.06			
ALCATEL LUCENT:	3.33	0.01			
AMDOCS:	46.02	0.02			
AMPHENOL:	104.32	0.47			
AOL:	43.21	(0.25)			
APPLE:	101.54	0.22			
ARRIS GROUP:	30.66	(0.41)			
AVID TECH:	7.84	0.09			
BLNDER TONGUE:	1.56	0.08			
BROADCOM:	38.97	(0.24)			
CISCO:	24.70	0.05			



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Cablefax TECH by Joyce Wang

Q&A: Simply.TV CEO Mark Ely

We recently chatted with Mark Ely, CEO of **Simply.TV** about the company's new service and DVR technology. The CA-based startup makes IP-based DVRs that connect to users' home networks and allow streaming of live and recorder video content across platforms.

Tell us about the new service? The newest feature is the one we introduced this week. Simple.TV now allows users to set up shared accounts on their DVR with up to five family members. Once a user is logged into their Simple.TV account, access can be granted to any user regardless of whether or not they have an existing account or hardware with Simple.TV. The recipient receives an email to accept the invitation, quickly creates an account and then has access to the recorded content on the DVR. We've also rolled out new versions of our iOS and Android apps that incorporate a more traditional EPG grid for easily seeing what's on and what is coming up. **What are the similarities and differences between Simply.TV and Aereo, whose over-the-air service has been ruled unlawful?** While Simple.TV and Aereo shared a similar mission—putting great broadcast TV on connected devices—our approach was very different. Rather than centrally capture TV and redistribute it, Simple.TV puts the TV capture point in the consumer's home. Our box acts as a bridge between broadcast TV and connected screens, giving our customers the ability to seamlessly watch live or recorded content using our apps for iOS, Android, Windows Phone and Desktop, Roku and Chromecast, as well as PCs and Mac. The latest generation dual-tuner Simple.TV box not only bridges the gap between over-the-top content and broadcast TV, but with its cloud architecture, it enables the whole family to access TV, regardless of where they are physically located or what device they have. **What's your target market?** Our target market is the TV enthusiast, who has really embraced online streaming. Generally, they are streaming media enthusiasts who are using Roku boxes, Apple

TV and Chromecast to watch online video services, but want to access their favorite live TV content on their connected devices in a way that they otherwise can't.

From a technology standpoint, what's the biggest challenge when it comes to DVR service? We're really approaching the DVR in a whole new way. Traditional DVRs capture TV onto hard drives and then play the video back to the TV set directly. It's really a way to delay and control a single video stream. With Simple.TV, we've built a video server. It's a very powerful box that creates streaming video out of a linear broadcast source. In a way, it's the same technology that's used behind the scenes at Netflix or Hulu, but running in your home.

Amazon Buys Twitch: In addition to providing original programming, *Jeff Bezos* has more ambitious plans for **Amazon's** entertainment business. The online retailer agreed to acquire video service **Twitch** for about \$1bln, the largest deal in Amazon's 20-year history. Twitch, launched in 2011, focuses exclusively on live video for gamers. The deal is expected to close in the 2nd half of the year. "Broadcasting and watching gameplay is a global phenomenon, and Twitch has built a platform that brings together tens of millions of people who watch billions of minutes of games each month," Bezos said in a statement.

TiVo Upgrades Roamio: Targeting consumers without pay-TV services, **TiVo** launched a new version of its Roamio DVR letting users record shows from **ABC, CBS, NBC, Fox** and **Univision** (channel lineup will vary). The service also features streaming apps like **Netflix, Hulu** and **YouTube**. Priced at \$49.99 and requiring a \$14.99 monthly subscription, the service can record up to 75 hours of HD programming from a separately sold broadcast TV antenna. The device will be available at **Best Buy** stores starting Sept 14.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at jwang@accessintel.com

Cablefax's

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